

Message Text

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65

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

/092 W

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R 021902Z FEB 76

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 8755

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

LIMITED OFFICIAL USE PORT OF SPAIN 0261

E.O. 11652: N/A

TAGS: ENRG, EINV, TD, US

SUBJECT: GOTT ASKS FOR MAJORITY CONTROL OF TEXACO

REF: 75 PORT OF SPAIN 1388, 75 PORT OF SPAIN 1359, 75 PORT OF
SPAIN 162, 74 PORT OF SPAIN 147

BEGIN UNCLASSIFIED

1. THE FIRST MEETING BETWEEN THE TEAM OF NEGOTIATORS
APPOINTED BY THE TRINIDAD AND TOBAGO GOVERNMENT AND
REPRESENTATIVES OF TEXACO TRINIDAD INC. WAS HELD JANUARY 23.
THE GOTT TEAM HAD BEEN FORMED IN JUNE 1975 TO CARRY OUT
PRIME MINISTER WILLIAMS' JANUARY 9174 ANNOUNCEMENT THAT HIS
GOVERNMENT WOULD ACQUIRE PARTICIPATION IN ALL ASPECTS OF
TEXACO'S OPERATIONS IN TRINIDAD (PRODUCING, REFINING, AND
MARKETING). SEE REFTELS FOR DETAILS OF EARLIER ANNOUNCE-
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MENTS. BERNARD PRIMUS, CHAIRMAN OF THE GOTT TEAM, TOLD

TEXACO NEGOTIATORS THAT "OUR MANDATE IS TO SEEK MAJORITY PARTICIPATION AND WE EXPECT TO HEAR FROM YOU AN ACCEPTANCE OF THAT POSITION FROM WHICH WE WILL NEGOTIATE THE PARTICULARS."

2. TEXT OF PRIMUS' OPENING STATEMENT WAS CARRIED UNDER BANNER HEADLINES IN SUNDAY NEWSPAPER JANUARY 25, WHICH DESCRIBED TEXACO TEAM AS 'SHOCKED' BY GOTT DEMANDS. PRESS STORY SAID THAT TEXACO HAD EXPECTED A REQUEST FOR NO MORE THAN 25 PERCENT PARTICIPATION, AND THAT NEGOTIATIONS WERE ADJOURNED UNTIL SOME TIME NEXT MONTH. SUBSEQUENTLY, TEXACO SPOKESMAN REFUSED TO MAKE ANY COMMENT WHATSOEVER, AND IMPLIED THAT INITIAL REPORT DESCRIBING FIRM AS SHOCKED WAS ERRONEOUS. THERE HAS BEEN LITTLE PUBLIC COMMENT ABOUT THE GOTT DEMAND, ALTHOUGH OILFIELD WORKERS' TRADE UNION LEADER GEORGE WEEKES CALLED THE REQUEST FOR MAJORITY PARTICIPATION A "JOKE", AND SAID THE GOTT SHOULD SEEK TOTAL OWNERSHIP NOT ONLY OF TEXACO BUT ALSO OF AAMOCO'S TRINIDAD OPERATIONS END UNCLASSIFIED.

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3. COMMENT: AS WAS EVIDENT IN THE 1974 AND 1975 ANNOUNCEMENTS, IT HAS LONG BEEN GOTT POLICY TO ACQUIRE PARTICIPATION IN THE FOREIGN-OWNED OIL OPERATIONS IN TRINIDAD. FOLLOWING THE GOVERNMENT'S TOTAL BUY-OUT OF SHELL TRINIDAD'S REFINERY, PRODUCING PROPERTIES, AND MARKETING NETWORK IN 1974, IT WOULD INDEED HAVE BEEN SURPRISING IF THE GOTT HAD NOT ASKED FOR AT LEAST A MAJORITY SHARE IN TEXACO. TEXACO TRINIDAD INC. IS A DELAWARE CORPORATION, WHOLLY OWNED BY TEXACO INC. IN APRIL 1975, THE GOTT ANNOUNCED ITS TAKEOVER OF TEXACO'S DOMESTIC MARKETING NEWTOEK -- A SEPARATE CORPORATION -- BUT NEGOTIATIONS FOR ACTUAL TRANSFER AND PAYMENT SEEM TO HAVE BEEN SUBSUMED BY THE LARGER ISSUE OF GOTT PARTICIPATION IN THE REMAINDER OF TEXACO'S OPERATIONS IN TRINIDAD.

4. THE TIMING AND PUBLICITY GIVEN TO PRIMUS' STATEMENT ARE UNDOUBTEDLY RELATED TO THE FORTHCOMING GENERAL LIMITED OFFICIAL USE

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ELECTIONS, REFLECTING THE GOVERNMENT'S DESIRE TOTAKE AWAY AT LEAST PART OF THE "NATIONALIZE THE OIL INDUSTRY" ISSUE FROM GROUPS ON THE LEFT. THE EMBASSY HAS NO WAY TO GAUGE TEXACO'S REAL REACTION, SINCE ITS "NO COMMENT" POLICY IS GENERALLY ADHERED TO BOTH PUBLICLY AND PRIVATELY. WITH CARNIVAL SEASON FAST APPROACHING AND THEN THE LIKELIHOOD OF AN ELECTION CAMPAIGN, WE DO NOT EXPECT THE GOTT TO PUSH TEXACO FOR A QUICK RESPONSE, AND INDEED THE NEXT

"NEGOTIATING" MEETING MAY BE MONTHS AWAY.

RICH

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